# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:335
ANSWERED ON:25.02.2000
FOREIGN EXCHANGE RESERVE
AJIT SINGH;SUKDEO PASWAN

**Will the Minister of FINANCE be pleased to state:**

(a) Whether there has been an unprecedented increase in the foreign exchange reserves of the country during the last few months;

(b) If so, the time when the foreign exchange reserve was maximum during the current financial year and quantum thereof; whether

(c) Whether the currency in this reserve is accrued from various sources; and

(d) If so, the names of sources and the amount of foreign exchange accrued through each of the sources so far in the current financial year and the purposes for which the currency is withdrawn from this reserves?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): The foreign exchange reserves of the country have generally shown an upward trend during the financial year 1999-2000 so far, and the accretions to reserves have been significant since November 1999.

(b) : As per the latest information available for the period upto February 11, 2000, the foreign exchange reserves, including gold and SDRs, during the current financial year so far peaked at US $35170 million on January 21, 2000 compared with US $32490 million at the end of March 1999.

(c) & (d): The accretions to India`s foreign exchange reserves reflect the net outcome of the international transactions putthrough the RBI as well as the surplus conditions in the foreign exchange market, facilitating net purchases by the RBI includesome part of aid receipts and interest and discount earned on investment of foreign exchange reserves. Early indications are that the foreign exchange market displayed surplus conditions, reflecting sharp recovery of exports, buoyancy in invisible receipts, sharp turnaround in portfolio investments by FIIs and significant net accretions to NRI deposits.